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Japan Joining Trade Talks Fuels Criticism Over Barriers

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Japan's bid to join trade negotiations aimed at creating the Trans-Pacific Partnership drew criticism from U.S. lawmakers and a citizens' group even before it was announced.

Representative Sander Levin of Michigan joined by 46 other Democrats said in a letter to President Barack Obama today that the automobile import market in Japan is unfairly closed to U.S.-made vehicles, and letting the nation join the regional trade deal would hurt rather than help address that imbalance.

"It's hard to see how those TPP negotiations could be the vehicle to address all the decades of exclusion by Japan," Levin, the top Democrat on the House Ways and Means Committee that oversees trade policy, said in an interview. "It's hard to see how TPP negotiations could lead to a two-way street."

Japanese Prime Minister Shinzo Abe will announce that Japan will seek to join the negotiations, according to a government official who asked not to be named ahead of the statement.

The Trans-Pacific agreement among 11 nations, including Brunei and Peru, is being drafted as a model for future pacts as President Barack Obama's administration seeks to double U.S. exports by the end of 2014. Negotiators held the 16th round of talks in Singapore this week and are on track for wrapping up a deal by the end of the year, according to the U.S. Trade Representative's office.

Biggest Deal

An agreement would be the biggest free-trade deal for the U.S., and the first new accord under Obama. The region that represents more than half of global output and more than 40 percent of world trade, according to the U.S. trade office.

The nations in the negotiations are Australia, Brunei Darussalam, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore, U.S. and Vietnam. Japan, the world's third largest economy, has hinted for years that it would join the talks.

The U.S. trade-in-goods deficit with Japan in 2012 widened 21 percent to \$76.3 billion from the previous year, according to the U.S. Census Bureau. The U.S. Trade Representative's office last year listed Japan's restrictions on beef and rice imports in the agency's annual report on foreign-trade barriers.

In addition to the lawmakers, the activist Citizens Trade Campaign, which is affiliated with public health groups and labor unions, said the pact may help destroy U.S. jobs and reduce wages.

'Past Problems'

Japan joining the TPP "only threatens to accelerate past problems, unless a new model for international trade policy is embraced," Arthur Stamoulis, the group's executive director, said in a statement.

Lobbyists for U.S. automakers such as Ford Motor Co. ([F](#)) and General Motors Co. ([GM](#)) say Japan shouldn't be allowed to join the talks with the other nations, which it supports.

"Japan's inclusion would significantly delay, if not prevent, proceeding with a high-quality TPP trade agreement with other more compatible trade partners," Matt Blunt, president of the American Automotive Policy Council, said in a statement.

The lawmakers said in their letter that a "flawed, one-way trade agreement" will not be sufficient to resolve the longstanding practices. Also, eliminating the 2.5 percent tariff on automobile imports and 25 percent tariff on truck imports might lead to further Japanese exports to the U.S. In addition to the 47 Democrats, Republican Walter Jones of North Carolina signed the letter.

"If they request to be a partner and they're admitted, there's still a big bridge to cross regarding sensitive agricultural commodities," Brett Stuart, chief executive officer of Global AgriTrends, a Denver-based meat

research company, said in a telephone interview before the announcement.

“Historically Japan has not been willing to go duty free on these sensitive agricultural products,” including beef.

The U.S. has signed a series of deals with Japan, dating back to the 1980s, seeking to ease auto trade barriers.

U.S. exports “can’t get in,” Levin said. “Past efforts to open up and transform their market have failed miserably.”

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